

# CALPERS PROGRAMS, CLASSES, AND WORKSHOPS

## TABLE OF CONTENTS

|   |     |
|---|-----|
| <a href="#"><u>CalPERS Automated Communications Exchange System (ACES)</u></a> .....  | 236 |
| <a href="#"><u>CalPERS Deferred Compensation Program</u></a> .....                    | 238 |
| <a href="#"><u>CalPERS Long- Term Care</u></a> .....                                  | 240 |
| <a href="#"><u>California Employers' Retiree Benefit Trust (CERBT) Fund</u></a> ..... | 241 |
| <a href="#"><u>CalPERS Member Home Loan Program</u></a> .....                         | 243 |
| <a href="#"><u>CalPERS Health Benefits (PEMHCA)</u></a> .....                         | 244 |
| <a href="#"><u>CalPERS Education and Events</u></a> .....                             | 245 |

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## CALPERS AUTOMATED COMMUNICATIONS EXCHANGE SYSTEM (ACES)

There are more than 2,600 state and public agencies in California that rely on the California Public Employees' Retirement System (CalPERS) to manage their retirement and health benefits.

CalPERS implemented an electronic system, which is free to all CalPERS business partners. The system provides a faster, more economical method for employers to exchange information.

The Automated Communications Exchange System — ACES — is a highly secure online system that provides employers the ability to exchange membership, health, and payroll information with CalPERS on a transactional basis. ACES can be accessed from an ordinary personal computer through an Internet web browser.

ACES consists of the following components:

### INTERNET FILE TRANSFER

Employers can transmit health (HBD-12) and/or membership (PERS-AESD-1) files securely from their internal human resources systems to CalPERS for processing. This functionality allows employers to leverage their existing systems to exchange information with CalPERS.

### INTERNET FORMS DATA ENTRY

Employers can enter health (HBD-12) and/or membership (PERS-AESD-1) data directly into online forms and securely submit them to CalPERS via the Internet. This functionality allows employers to submit individual transactions as needed rather than having to transmit an entire file.

### PARTICIPANT INQUIRY

Employers and health benefit carriers can securely perform data queries via the Internet. This query functionality allows employers and carriers to verify enrollments and track changes.

### ACCOUNT MANAGEMENT

Employers and health benefit carriers can establish and manage ACES user accounts. This functionality provides self-service capability that significantly streamlines the process of creating and maintaining user IDs and passwords.

ACES benefits California's public employers (and hence their employees) in many ways, such as:

### SIMPLIFIED BUSINESS COMMUNICATION

Internet technology provides a common denominator allowing the broadest customer base possible to do business with CalPERS electronically.

### ELIMINATING PAPER

State and public employers across California can now do business without sending a hard copy. Less manual processing of information results in fewer errors.

### SPEEDING UP THE PROCESS

Prior to ACES, the multi-step process to provide a health card to a new enrollee took more than four weeks. Now, with ACES, health cards are delivered in a much shorter period of time. Members can more easily obtain medical care with a card in hand. In cases where medical care is needed before the card has arrived, health carriers need only query the ACES system to verify that the member has coverage.

### REDUCED COSTS

No mailroom costs. No waiting. Fewer errors. ACES streamlines the overall process. Staff will no longer spend hours filling out forms by hand. Instead, staff can transmit enrollments and changes into CalPERS health and retirement programs directly.

### SECURE ENVIRONMENT

ACES ensures that all personal employee information (social security numbers, addresses, etc.) remains confidential. When an employer signs up for ACES, they designate a security contact at their site that controls access. The employer can even have supervisors track and monitor all CalPERS transactions, including reviewing a log of all data transmissions.

### IMPROVED PROCESSING TIME AND DATA QUALITY

ACES provides front-end edits (validations that prevent employers from entering incorrect or incomplete information) to ensure that the required data and specific health and membership values are supplied to properly process

transactions. This is a significant improvement over the manual process, where errors on paper forms had to be corrected and resubmitted, creating delays affecting both employers and CalPERS.

#### SELF-SERVICE CAPABILITIES

The account management subsystem has significantly streamlined the former 17-step process for creating user IDs and passwords. Each employer can now create and maintain user IDs for their staff with little or no involvement from CalPERS. The process now consists of three steps, reducing the time to request, create, and distribute account information from several weeks to two days.

#### EASILY TRACK AND MONITOR ACTIVITIES

All activities are logged to include the date, time, submitter, agency, and content of transmitted data. This becomes an online electronic record of data sent and received, eliminating manual record keeping both by employers and CalPERS while providing a mechanism to resolve errors and problems more quickly.

To sign up for ACES or find out more about ACES, please contact **888 CalPERS** (or **888-225-7377**) or visit our Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**.

## CALPERS DEFERRED COMPENSATION PROGRAM

Deferred compensation is an employer-sponsored benefit that allows employees of an employer to defer a portion of pre-tax salary and direct how the deferral is invested. Both the deferral and the earnings on investment are shielded from income tax until the money is taken, usually in retirement.

Legislation enacted in 1991 granted the CalPERS Board authority to develop a deferred compensation program to offer to public agencies and their participating employees. This authority allows CalPERS to offer any federally sanctioned retirement savings plan, including a deferred compensation plan qualified under Section 457 of the Internal Revenue Code.

After three years of research and development, CalPERS developed a program that leverages the economies of scale inherent in the \$250 billion public retirement system. The CalPERS 457 Program provides state-of-the-art deferred compensation services at a low cost to participating public employees. All assets are held in trust for the exclusive benefit of participants by the CalPERS Board.

### THE PROGRAM FEATURES

- Full trust protection
- Investment options designed specifically for retirement savings and managed under CalPERS supervision
- State-of-the-art customer services
- Comprehensive administrative services including custody, recordkeeping, management, and marketing
- A simplified fee structure

The core investment options include:

- Money Market Fund
- Stable Fixed Income Fund
- Bond Fund
- Actively Managed, Large Cap Equity Fund
- S&P 500 Equity Index Fund
- Actively Managed, Small Cap Equity Fund
- Russell 2000 Equity Index Fund
- International Equity Fund
- Asset Allocation Fund

The funds are invested by a combination of in-house staff and external investment managers currently affiliated with the retirement system. This capitalizes on CalPERS economies of scale by employing the investment management expertise of CalPERS staff, augmented by the use of external investment managers under CalPERS supervision. This allows the program to offer institutionally managed funds with significantly lower management fees, compared to retail mutual funds, and pass those savings along to participants. It also gives CalPERS overall control over the program and management of the funds.

FDIC-insured bank certificates of deposit (CDs) and access to over 5,000 retail mutual funds through a self-managed brokerage account (SMA) are also offered.

State Street Bank and Trust has been retained as the program administrator to provide custody, recordkeeping and general administrative services, including marketing, communications, enrollment, and customer service. Plan services are state-of-the-art and include:

- Daily processing and daily fund transfer capabilities.
- Live customer service representatives with full access to online information.
- Automated Voice Response System and Internet access allows transactions 24 hours a day to make changes to investments.
- Contributions and enrollments can be changed if the agency's payroll is automated.
- Educational and promotional materials for the employer and employee.
- Service representatives available to conduct meetings and enroll or counsel participants and employers at the employer's location.

The fee structure for the program is simple with no hidden charges. There are no front or back-end sales charges, transaction charges, or fixed fees. Depending on the specific investment funds selected by an individual, most participants will pay total fees of less than 1 percent.

| <b>Administration Fees:</b> |                          |                |
|-----------------------------|--------------------------|----------------|
|                             | Plan Administration Fee: | .26% of assets |

| <b>Investment Advisory Fees:</b>      |                                 |                  |
|---------------------------------------|---------------------------------|------------------|
|                                       | Stable Fixed Income Fund        | .25% of assets   |
|                                       | Money Market Fund:              | .29% of assets   |
|                                       | Bond Fund                       | .29% of assets   |
|                                       | S & P 500 Equity Index Fund     | .09% of assets   |
|                                       | Large Cap Equity Fund           | .63 % of assets  |
|                                       | Russell 2000 Equity Index Funds | .23% of assets   |
|                                       | Small Cap Equity Fund           | .68% of assets   |
|                                       | International Equity Fund       | .68% of assets   |
|                                       | Asset Allocation Fund           |                  |
|                                       | Conservative Portfolio          | .6795% of assets |
|                                       | Moderate Portfolio              | .6443% of assets |
|                                       | Aggressive Portfolio            | .6696% of assets |
| <b>Investment Management Subtotal</b> |                                 | .09% to .68%     |

For further information please call **888 CalPERS** (or **888-225-7377**).

## CALPERS LONG-TERM CARE

CalPERS has been offering a self-funded long-term care program since January 1995. All California public employees and retirees, their siblings (age 18 & older), spouses, parents and parents-in-law are eligible to apply for coverage under the CalPERS Long-Term Care Program.

There are three basic plans: (a) CalPERS Comprehensive; (b) CalPERS Nursing Home/Assisted Living Facility Only (NH/ALF); and (c) CalPERS Partnership. The most prominent features of these plans are:

| Plan Types            | Comprehensive         |                       | NH/ALF Only           |                       | Partnership          |                      |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| Plan Option           | 100                   | 130                   | 100                   | 130                   | 100                  | 130                  |
| Total Coverage Amount | Lifetime or \$109,500 | Lifetime or \$142,350 | Lifetime or \$109,500 | Lifetime or \$142,350 | \$36,500 or \$73,000 | \$47,250 or \$94,500 |
| Nursing Home/ day     | \$100                 | \$130                 | \$100                 | \$130                 | \$100                | \$130                |
| Assisted Living/ day  | \$50                  | \$65                  | \$50                  | \$65                  | \$50                 | \$65                 |
| Home Care/ month      | \$1500                | \$1950                | Not Avail             | Not Avail             | \$1500               | \$1950               |
| Deductible Period     | 90 days               | 90 days               | 90 days               | 90 days               | 30 days              | 30 days              |

Inflation Protection is an optional feature that can be either: (1) built-in 5% compounded annually; or (2) a periodic increase that is offered every 36 months. Under the Partnership plan, built-in 5% compounded annually inflation protection is mandatory.

A special feature of the Program is a Care Adviser who is available to assist the member with developing a "Plan of Care" which best meets their long-term care services needs.

All of CalPERS plans are tax-qualified, meaning that benefits received are non-taxable and premiums may be partially deducted if one itemizes their income taxes and meets certain requirements.

All of CalPERS plans are portable, meaning that if a member changes jobs or moves out of state, all coverage remains in force as long as the plan premium is paid when due.

Premiums are based on the enrollee's age on the day his/her application is received and are designed to stay level throughout the member's participation in the Program. Since these plans are not-for-profit, premiums are generally less than comparable commercially offered plans.

Premium payments for active employees and spouses can be by payroll deduction. Retirees and their spouses can have premiums deducted from their pension benefits. The premium payment for siblings, parents, and parents-in-law will be by direct billing or electronic funds transfer (EFT).

Premiums are waived once a member starts receiving benefits from the Program.

For Customer Service or Claims Eligibility questions, please call (800) 982-1775.

Application Periods for the CalPERS Long-Term Care Program generally run from April through June of each year depending on CalPERS Board of Administration approval. Employees can call (800) 908-9119 to request an application kit.

For employer information and educational materials regarding the CalPERS Long-Term Care Program, employers should call (888) 651-8801.

## CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) FUND

CalPERS is pleased to announce the formation of the California Employers' Retiree Benefit Trust (CERBT) Fund – an investment vehicle that can be used by employers that contract with CalPERS for employee health benefits to prefund future retiree health and Other Post Employment Benefit (OPEB) costs.

### OVERVIEW

The CERBT Fund is a new fund - a Section 115 Trust - set up for the purpose of receiving employer contributions that will prefund health and other post-employment benefit costs for retirees and their beneficiaries. By joining this new trust fund, CalPERS PEMHCA employers can help finance future costs in large part from the investment earnings provided by CalPERS. Just as earnings from invested retirement contributions cover \$3 of every \$4 spent in pension benefits, this new trust will generate significant revenues to apply toward OPEB obligations.

### WHY PREFUND?

- Prefunding enables you to make actuarially determined periodic contributions to partially or completely fund your future obligations.
- Earnings on assets reduce employer contributions.
- Investment return assumptions, known as discount rate assumptions, will be higher, making the annual required contribution and unfunded liability lower.
- May prevent your net OPEB obligation from becoming a significant liability on your balance sheet.
- Can contribute to a positive credit rating.
- Enhances financial security for retirees.

### BENEFITS OF INVESTING WITH CALPERS

- 75 years experience in administering employer-sponsored pension plans for public employees since 1932.
- CalPERS is the largest public pension system in the U.S., managing more than \$180 billion in assets for more than 2,600 California employers and a history of exceptional risk-adjusted investment performance.
- CalPERS has an outstanding record of investment performance. Over the past 20 years, CalPERS has averaged a 10 percent rate of return on our investments.
- Low administrative fees.
- CalPERS management fees are lower than private sector fees. For example, the average annual cost of managing the CalPERS pension fund is 0.25 percent of assets over the past 10 years. Private firms may charge 1 percent or more. Lower management fees mean your trust fund assets grow faster.
- Fully dedicated employer service specialists and quality customer service.
- CalPERS has a seasoned team of investment professionals with a proven track record and is dedicated to meeting the needs of our participants and beneficiaries, while minimizing the cost to employers

### INFORMATION FOR NON-PEMHCA AGENCIES

AB 554 (Chapter 318, statutes of 2007) became law on January 1, 2008. California public employers can join the California Employers' Retiree Benefit Trust (CERBT) to prefund OPEB obligations:

- Local government employers can participate in the fund even if they are not currently affiliated with CalPERS.
- The requirement to contract for health benefits through CalPERS has been dropped.

## CERBT FUND WORKSHOPS

Register to attend a CERBT Fund Workshop to learn about our new trust fund and other services we offer to prepare you to measure, report, and prefund OPEB liabilities. The following subjects are covered in the workshop:

- GASB 45 reporting requirements
- The implicit rate subsidy
- CalPERS services
- Pending legislation to allow all California government agencies the opportunity to participate in the CERBT fund
- The contract agreement
- Steps required to participate in the CERBT fund

For more information on the California Employers' Retiree Benefit Trust call CalPERS at **888 CalPERS** (or 888-225-7377) or visit the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**.



## CALPERS MEMBER HOME LOAN PROGRAM

### MEMBER HOME LOAN PROGRAM

On December 15, 2010, the CalPERS Board of Administration approved the suspension of the CalPERS Member Home Loan Program. New applications will no longer be accepted.

For questions regarding current CalPERS Member Home Loans, please contact the loan service provider.

For more information, call **888 CalPERS** (or **888-225-7377**) or visit the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**

## CALPERS HEALTH BENEFITS (PEMHCA)

The CalPERS Health Benefits Program is governed by the Public Employees' Medical and Hospital Care Act (PEMHCA) of the California Public Employees' Retirement Law. The program was established in 1962 to purchase health care for employees of the State of California, including the California State University System (CSU). In 1976, legislation was passed to allow other public employers, such as cities, counties, and school districts, to join the program. Currently, CalPERS provides health benefits to over 1.2 million covered lives.

State, CSU, and contracting Public Agencies must offer all eligible active and retired employees an opportunity to enroll in a CalPERS health plan of their choice. All employers are required by statute to contribute towards the cost of the health plan premium. Premiums and health plan benefits are approved annually by the CalPERS Board of Administration.

The CalPERS Health Benefits Program offers a choice of health plans to provide Basic coverage to active employees and Supplement to Medicare and Managed Medicare coverage for retired members. Eligible enrollees can choose between a variety of Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and employee association plans.

### HMOs

CalPERS offers several HMOs, each serving specific geographic areas. Except for out-of-area emergencies, HMO members receive all their care from HMO doctors with a small co-payment for most services and supplies.

### PPOs

CalPERS offers two self-funded PPO plans – PERSCare and PERS Choice. These plans offer a PPO network through Blue Cross of California, with nationwide affiliations. Plans offer out-of-area and worldwide coverage.

### EMPLOYEE ASSOCIATION PLANS

CalPERS offers employee association health plans. An enrollee must belong to the specific employee association and pay applicable dues to enroll in one of these plans.

For further information on the CalPERS Health Benefits Program, you may contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) or visit the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**.

## CALPERS EDUCATION AND EVENTS

### EMPLOYER WORKSHOPS

The Employer Education and Communication Services Unit of the Customer Service and Outreach Division provides annual countywide employer workshops.

The Employer Education and Communication Services Unit provides special requested workshops for new contracting agencies and for those agencies that need additional assistance with CalPERS membership and/or payroll reporting responsibilities.

Employer Representatives serve as your liaison with CalPERS. They can answer many of your questions or direct you to the appropriate staff at CalPERS who will be able to assist you at the very technical level.

To reach a representative, contact CalPERS **888 CalPERS** (or **888-225-7377**) or visit the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)** for more information.

### CALPERS ANNUAL EMPLOYER EDUCATIONAL FORUM

CalPERS holds a three-day Employer Educational Forum every Fall. The Forum provides the opportunity to get the most up-to-date CalPERS information, attend workshops, and talk to CalPERS Board members and staff at this event focused entirely on employer topics. Registration materials are generally mailed in August.

If you have not attended this popular event before and would like to be placed on our direct mailing list, please e-mail your request to [calpers\\_conference@calpers.ca.gov](mailto:calpers_conference@calpers.ca.gov).

### CALPERS EDUCATION CENTER

The CalPERS Education Center is a personalized, centralized, and secure online service that allows you to enroll in employer training classes, employer sponsored classes, and member retirement planning classes. Available to both employers and members, the CalPERS Education Center offers both online and instructor-led classes on a variety of retirement

related topics. You and your employees can download class materials and view your education history or classes we're offering at locations near you.

Enroll online through the CalPERS Education Center at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**. You can also call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

### DISABILITY RETIREMENT WORKSHOPS

CalPERS Customer Service and Outreach Division sponsors the Benefit Services Division, Disability Section, who conduct Disability Retirement workshops. The three-hour workshop is an interactive process intended to benefit the Human Resources personnel, Return-To-Work Coordinators, Health & Safety Officers, Risk Managers, and other interested employer and employee representatives. These workshops provide information on all aspects of disability and industrial disability retirement, local safety, reinstatement, employment after retirement issues, and include Q & A opportunities.

For workshop registration and further information, contact CalPERS at **888 CalPERS** (or **888-225-7377**).

### MEMBER EDUCATION

Our member education classes provide your employees with valuable information about their CalPERS membership benefits, savings and health programs, and available online resources.

### EMPLOYER SPONSORED RETIREMENT PLANNING WORKSHOPS FOR MEMBERS

Regional Office staff will conduct Employer Specific Retirement Planning Workshops at the employer's facility. The presentation will be customized with explanations of the benefits that are contracted for by the employer.

To reach a representative, contact CalPERS **888 CalPERS** (or **888-225-7377**) or visit the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)** for more information.

## EMPLOYER-SPONSORED RETIREMENT PLANNING CLASSES FOR MEMBERS

CalPERS Regional Office staff conduct employer-sponsored retirement planning classes at the employer's facility. The class provides customized explanations of the employee benefits offered by the employer. A minimum audience of 20 is recommended to request an employer-sponsored class. If the audience will be less than 20, please contact CalPERS.

To request an employer-sponsored class, call CalPERS at **888 CalPERS** (or **888-225-7377**).

## SCHEDULE OF CLASSES

Class schedules are established twice a year, in April and October. The schedules are available from the CalPERS Education Center at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**. Active member class schedules are regularly provided to the Human Resources Divisions of all CalPERS employers.

## RETIREMENT CLASSES FOR MEMBERS

CalPERS Regional Office staff conduct Retirement Planning Classes throughout California to help members prepare for retirement. We offer five classes based on a member's career life cycle. All five classes are available as in-person classes or online classes.

### NEW CALPERS MEMBER

This class is for members who are new to the CalPERS system. Members receive an overview of CalPERS programs and benefits.

### CONTINUING CALPERS MEMBER

This class is for members who are not yet ready to retire but want more information about CalPERS benefits and programs.

### PLANNING YOUR RETIREMENT

This class is for members nearing retirement and is designed to help members plan and prepare for retirement.

### COMPLETING YOUR RETIREMENT APPLICATION

This class is for members who are ready to retire. It provides detailed information on the step-by-step process of filling out the retirement application.

### RETIRED CALPERS MEMBER

This class is for members who have already retired. The class provides retirees with information about CalPERS programs and provides a refresher on retirement benefits.

## HOW TO ENROLL

Enrollment is on a first-come, first-served basis and is free to all members and their spouses. To enroll in any of our classes, visit the CalPERS Education Center online at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**. Log into my|CalPERS, select "My Education", then "Select a Class" to find a date and time near you. You can also enroll by calling CalPERS at **888 CalPERS** (or **888-225-7377**).